



Office of the City Auditor

*Committed to increasing government efficiency, effectiveness,
accountability and transparency.*

HUMAN RESOURCES CITYWIDE RECRUITMENT and RETENTION

Report#: 2016-06



Issue Date: March 8, 2016

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Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the City Auditor

Executive Summary

March 8, 2016

The Honorable Members of the Richmond City Council
The Honorable Mayor Dwight C. Jones

Subject: Citywide – Recruitment and Retention Report

The City Auditor's Office has completed an audit of the Central and Richmond Police Human Resources (HR) departments. The auditors conducted this audit in accordance with Generally Accepted Government Auditing Standards.

The following are the salient findings:

- The recruitment process is lengthy and ineffective for recruitments handled by the Central HR and the civilian recruitments done by RPD's HR Division. The sworn officer recruitment process includes additional testing for recruits in addition to the police academy training. The recruitment time is dictated by the timing of the testing and academy schedule. Therefore, the auditor did not evaluate the recruitment process for sworn staff.

The current Central HR recruitment process requires on an average 215 days. The City could potentially lose qualified candidates as they may find other employment during this time. Audit analysis found that this process can be shortened by about 86 days by eliminating non-value added processes.

The current RPD HR recruitment process for civilians requires on average 203 days. Audit analysis found that this process can be shortened by about 62 days by eliminating non-value added processes. The Police Chief and RPD HR Director agreed that further timesaving is possible if the background check process for civilian candidates is expedited. Currently this process requires on average 86 days. RPD will conduct further analysis to reduce this time.

- The City recruitment efforts may be affected by several issues such as:
 - The City's cost for health benefits is not competitive with the other localities
 - Richmond may not be offering competitive salaries
 - Lack of appropriate planning may be affecting timely recruiting
 - Hiring managers do not have a proper understanding of the City's recruitment process
 - The current method of posting recruitment ads only in local newspapers is not effective. HR must explore additional methods of advertising on commercial recruitment websites, such as Monster.com, LinkedIn, etc. In addition, using social media can be a useful tool in attracting candidates
 - The departments are not satisfied with HR's screening of employment applications
 - The communication between HR and the departments during recruitment process needs improvement
 - The Department Directors feel that they are receiving inconsistent advice from HR
 - According to one of the interviewed Directors, there is a resistance to come to Richmond, as it is perceived more work for less pay, Younger people come just to get experience in a big City and then move on to another organization for better pay and benefits.
- The City's efforts for employee retention are challenging. According to the surveyed hiring managers, the City does not offer competitive salaries and benefits to attract and retain quality candidates. In addition, lack of merit based salary increases over the past several years may have an adverse impact. It was reported by the Directors, that a flat 2% pay raise instead of a merit-based raise is a disincentive to high performing employees. Additional efforts can be made for employee retention.

Management responses to the report are included in Appendix B. The City Auditor's Office appreciates the Departments' cooperation during this audit.

Please contact me if you have any questions or comments.

Sincerely,

Umesh Dalal

Umesh Dalal, CPA, CIA, CIG
City Auditor

cc: Selena Cuffee-Glenn, Chief Administrative Officer
The Richmond City Audit Committee
Debra Gardner, Deputy Chief Administrative Officer of Human Services
Johnny McLean, Director of Human Resources

COMPREHENSIVE LIST OF RECOMMENDATIONS

#		PAGE
1	The CAO needs to require the HR Director to create and implement a workforce development plan for the City of Richmond.	28
2	The CAO needs to reinstate the pay-for-performance plan instead of proposing flat pay raises	28
3	The CAO needs to consider requiring all departments to conduct “Stay Interviews” for engaging and retaining employees.	28
4	The DCAO of Human Services and the Police Chief need to streamline the recruitment process to decrease the recruitment and hiring timeframe and enforce compliance.	28
5	The Director of Central HR needs to require HR Consultants to meet with the hiring managers to: <ul style="list-style-type: none">a. Educate hiring managers about the recruitment processb. Review and update job descriptions as needed.	28
6	The Director of Central HR needs to make the recruitment process more effective through use of more popular websites and newer technology.	28
7	Upon receiving the most recent “Comparison of Medical Benefits and Cost for Central Virginia Municipalities survey” currently underway, CAO needs to develop and implement a plan for offering benefits competitive with other localities in the area.	28

INTRODUCTION, OBJECTIVES, AND METHODOLOGY

Introduction

The City Auditor's Office has completed an audit of the Central and Richmond Police Human Resources (HR) departments. The City has a Central HR function. All the departments have liaisons that coordinate various tasks with central HR. The Richmond Police Department (RPD) has its own HR Division to administer most HR functions. The audit specifically focused on the recruitment and retention processes within the respective HR departments. This audit covers the 12 month period ended June 30, 2015.

Objectives

The objectives of this audit were to:

- Evaluate the effectiveness of the recruiting and retention function
 - Validate that HR is using all potentially effective methods of recruiting
 - Validate that the recruiting and hiring process is conducted in a timely manner
 - Validate that HR forecasts future hiring needs
 - Verify that HR is addressing key factors of employee turnover
 - Verify HR is using proven 'Best Practices' for recruiting and retention
- Evaluate the existence of internal controls and compliance procedures
 - Validate HR is actively monitoring the recruiting process
- Verify compliance with applicable laws, regulations, and City Code, which includes the Equal Employment Opportunity (EEO) Act

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The auditors conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those Standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The Auditors believe that the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

Methodology

Auditors performed the following procedures to complete this audit:

- Interviewed management and staff;
- Reviewed and evaluated relevant policies and procedures and tested for compliance;
- Conducted a walkthrough of the recruitment and retention process;
- Conducted a focus group of hiring managers to obtain opinions on the recruitment and retention process;
- Benchmarked recruitment and retention practices against four localities;
- Reviewed "Municipalities Comparison Survey" conducted by Wells Fargo Insurance Services to compare Richmond City's benefits to surrounding localities;
- Researched HR recruitment and retention best practices; and
- Performed other tests, as deemed necessary.

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MANAGEMENT RESPONSIBILITY

City management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

BACKGROUND

The City of Richmond is a human capital driven organization. City employees carry out the core functions of the City, such as public safety, purchasing goods, services and processing payments, etc. In addition, personnel cost is a very significant expense for the City. Therefore,

Personnel costs are significant expenditures and its management is crucial

personnel management is important for the City.

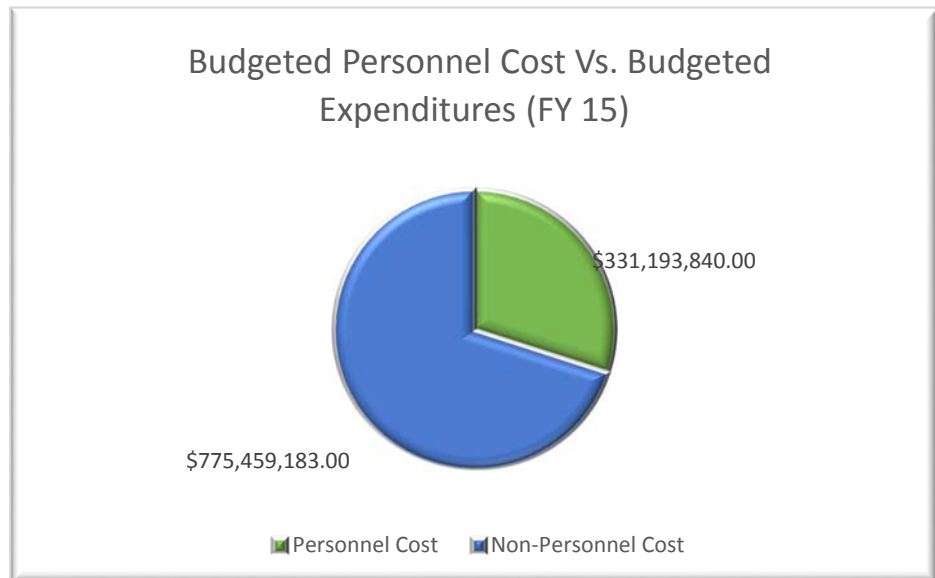
Below is a comparison of budgeted personnel expenditures and total budgeted expenditures for the City of Richmond for FY 2015 (*General and Enterprise Funds*):

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Source: FY 15 Adopted Fiscal Plan

According to HR's website, "The Department of Human Resources provides leadership, development, and administration of the City's human resources program. The Department is responsible for benefits administration, classification and compensation, recruitment and retention, training and development, employee relations and records management. Over 4,000 employees are supported through the centralized Human Resources management structure with assigned portfolios."

The recruitment and retention process is a coordinated effort between HR and the hiring departments. It is each department's responsibility to initiate the recruitment process by submitting approved documentation. Once approved documentation is received, the HR

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Consultant¹, the hiring department, and the department's HR Liaison², then work together to begin the recruitment. Once HR has screened the received applications and submitted a certified list to the hiring department, it is the responsibility of the department to complete the interview and hiring process.

As previously mentioned, RPD has its own HR Recruitment function. The goal of the Recruitment Unit is to make contact with and encourage qualified individuals who desire a career in law enforcement to apply for employment with RPD. Currently, special attention is being placed on attracting and hiring minority and female applicants to develop a more diverse organization that will better meet the needs of the City.

Similar to the Central HR process, the RPD recruitment and retention function is a coordinated effort between RPD HR and the hiring division. Appropriate documentation is approved and HR and division staff work together to complete the process.

¹ The HR Consultant is an employee of the HR division and reports directly to HR management. One of their many tasks include assisting departments in the recruitment process.

² The HR Liaison is an employee of the hiring department and reports to management of that department. One of his/her many tasks include working with the HR Consultant and the department during the recruitment process. Most departments within the City have an HR Liaison.

OBSERVATIONS AND RECOMMENDATIONS

WHAT WORKS WELL

During the audit, the Auditors observed and identified several Central HR and RPD HR practices that are working effectively and achieving meaningful outcomes:

Benefits:

The City offers several incentives to recruit and retain employees, which include, but are not limited to:

- Flexible Work Hours
- Telework Availability
- Training Opportunities
- Health and Dental Insurance
- Employee Discounts
- Richmond Employee Assistance Program (REAP)
- Legal Resources
- Defined Contribution Plan
- Defined Benefit Plan
- Educational Incentives
- Life Insurance
- Cancer Expense Plan

The City offers several incentives to recruit and retain employees

Not all of these incentives are implemented by every department and are at the discretion of the hiring authority.

Health and Wellness Program "WE-Fit":

The WE-Fit Program offers many benefits and incentives to promote healthy lifestyles and enhance healthy educational opportunities for City employees. The Program is aimed at helping employees and their families in all facets of life.

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Examples of programs offered include:

- Nutrition Classes
- Weight Watchers
- Stress Management Classes
- Financial Wellness
- Fitness Incentives/Classes

Police Department HR Division's Efforts:

The Auditor identified further areas in which RPD HR performs well.

- RPD HR has developed a workforce development plan that enables them to plan and prepare for future hiring needs.
- RPD HR has implemented a career development program for sworn personnel.

Recruitment

THE RECRUITMENT PROCESS IS LENGTHY AND INEFFECTIVE

The auditor evaluated the current recruitment process for Central HR to verify the expediency of filling vacancies. It was not clear as to how much time it takes for departments to initiate the recruitment process as for a variety of reasons, some recruitment efforts are delayed.

The recruitment process begins with a Request to Recruit (RTR) form for each vacant position. The RTR is manually routed throughout the City for various approval signatures. Below is a summary of the recruitment and hiring process:

- To begin the recruitment process, hiring managers prepare and enter the RTR form into the Richmond's online staffing system, NeoGov. Subsequently, HR creates the job announcement and advertises in three local newspapers.
- HR personnel receives and reviews job applications. For many agencies, HR screens the applications and is tasked with providing the most suitable candidates to some of the departments.
- The departments review the applications and conduct interviews with selected candidates.
- Job is offered and the candidate's application is forwarded to HR for background check and drug screening.
- Upon passing the above checks, the recruitment is completed.

Currently, HR has a workflow process chart that documents how long the recruitment process should take. Based on this process, HR expects

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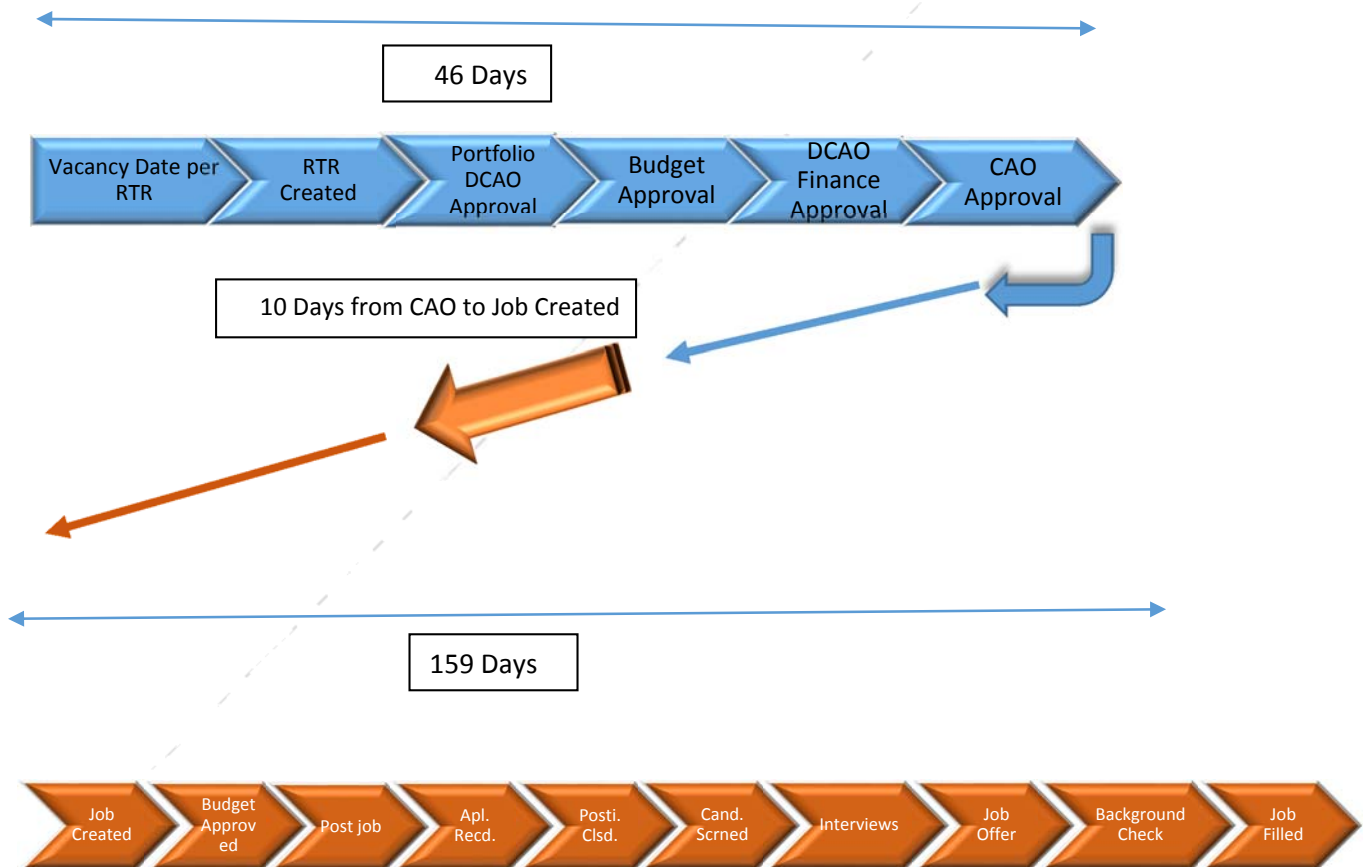
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that it should take no more than 76 days to complete the recruitment and hiring process. However, the City has not conformed to this

The current recruitment process requires 215 days to fill vacancies

guideline, as the process takes significantly longer than 76 days.

The Auditor captured the time required to complete each step in the cross-organizational recruitment process using recruitment and hiring data and found the following:



- = RTR Process
- = NeoGov Process

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Due to extensive delay, the City may lose qualified candidates as they may find other employment

Auditor's analysis indicated that there is an opportunity for streamlining the hiring process as the current process requires approximately 215 days to fill a vacancy. The City could potentially lose qualified candidates as they may find other employment during this time. During a meeting with the Chief Administrative Officer (CAO) and the Deputy Chief Administrative Officers (DCAOs), it was agreed that the current recruitment process is time consuming and inefficient as it includes several layers of approval.

Audit analysis identified opportunity to shorten recruitment process by approximately 85 days

Based on the audit analysis and elimination of approvals from the CAO and the DCAO of Finance & Administration, the City will save 22.4 days during the recruitment and hiring process. The process can be further streamlined by reducing the number of days the hiring departments takes to interview potential candidates. On average, it took the hiring departments 79 days to conduct interviews and make job offers. Based on HR's current workflow, the departments should conduct interviews and make job offers within 14 days of receiving applications.

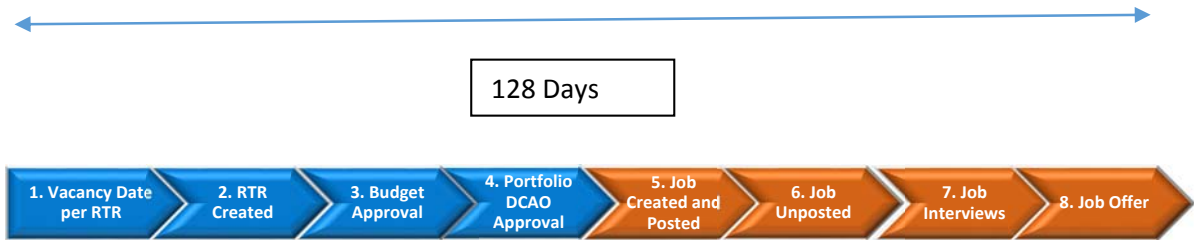
Successful implementation of the below process could reduce the number of days for recruitment and hiring by 86.4 days. This is a 40% reduction in time.

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Richmond Police Department HR recruitment process

The auditor's examination of Richmond Police Department recruitment process indicated that they have a civilian employee recruitment program that is comparable to the above process followed by Central HR. For sworn staff, an RTR is prepared and the process does not

include any steps related to the RTR. However, the sworn officer recruitment process includes additional testing for recruits in addition to the police academy training. The recruitment time is dictated

Auditors found a similar opportunity to reduce time for Police recruitment with a potential for further reduction

by the timing of the testing and academy schedule. Therefore, the auditor could not evaluate the recruitment process for sworn staff.

Based on audit analysis and elimination of approvals from the CAO and the DCAO of Finance & Administration, RPD would save 35 days during the recruitment and hiring process. The process can be further streamlined by reducing the number of days RPD HR takes to initiate and internally approve the RTR. On average, it took 27 days from initiation of the RTR process to attaining the Chief's approval.

Successful implementation of the below process could reduce the number of days for recruitment from 203 to 141 days. This savings of

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62 days is a 30% reduction in time. The Police Chief agreed with the Auditor's findings. Based on the Auditor's analysis of RPD HR's current hiring process, there is an opportunity for a more streamlined process as follows:



The Police Chief and RPD HR Director agreed that further timesaving is possible if the background check process for civilian candidates is expedited. Currently this process requires on average 86 days. RPD will analyze and reduce this time.

Recruitment Challenges

The City's cost for health benefits is not competitive with the other localities

In July 2011, Richmond Public Schools (RPS) and the City of Richmond (COR) implemented a combined self-insured medical plan. Self – insured plans are one in which the employer assumes the financial risk for providing health care benefits to its employees.

The City has a number of recruitment challenges, including more expensive health insurance costs

Based on the auditor's review, the City has one of the highest monthly cost of health insurance for family and individual coverage as depicted

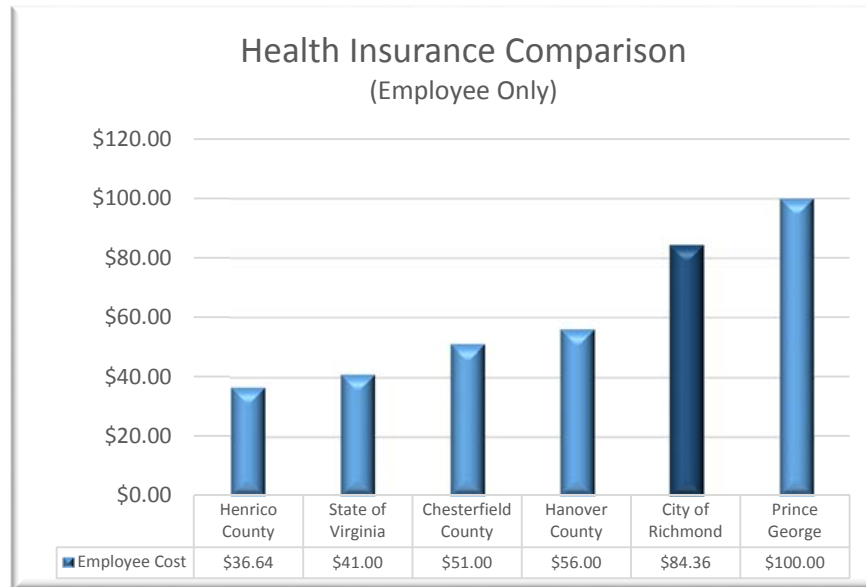
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in the following charts:



Source: Wells Fargo Insurance Services Survey and locality websites.

Notes:

1. All plans do not include dental prices, except for the State of Virginia Insurance
2. The rates reflect the locality's most popular plan
3. Henrico, Chesterfield, Hanover, Prince George, and Richmond are all self-insured
4. All plans reflect FY15, except for the State, which reflects FY16
5. The City is working on an RFP for a new healthcare contract.

Similar to "employee only" insurance, the City has one of the highest cost out of the other localities for family plans. The below listing is arranged from lowest to highest employee cost.

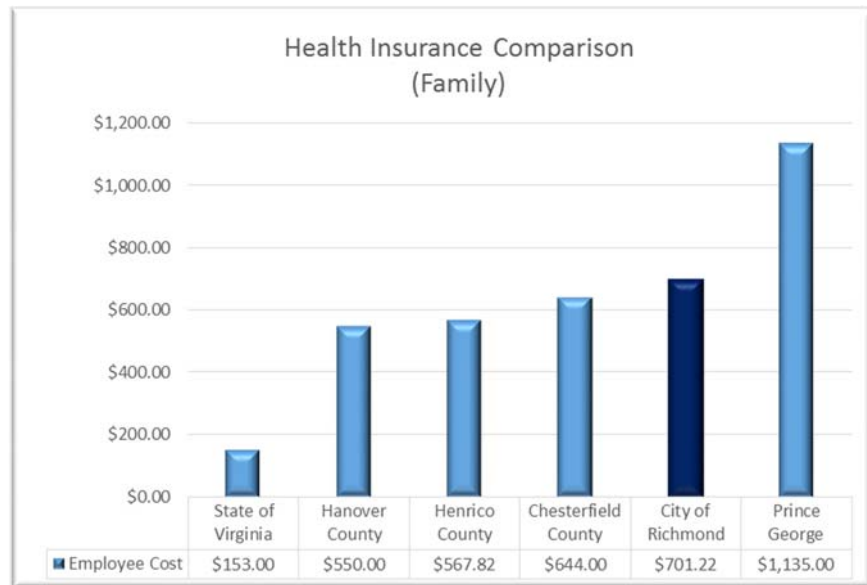
Source: Wells Fargo Insurance Services Survey and locality websites.

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Source: "Wells Fargo Insurance Services Survey" and locality websites.

Notes:

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3. Henrico, Chesterfield, Hanover, Prince George, and Richmond are all self-insured
4. All plans reflect FY15, except for the State, which reflects FY16
5. The City is working on an RFP for a new healthcare contract.

It should be noted that Richmond generally competes with the above localities and the State of Virginia for attracting employees. As indicated above, Richmond's health insurance costs are higher than three of the four localities and the State. Individuals seeking employment in the Richmond Metro area would consider their out of pocket cost for insurance and other benefits. Having cost of benefits comparable to the above jurisdictions would help attract prospective employees to the City.

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Richmond's insurance is higher in the above two plans as follows:

<i>Locality</i>	Richmond's Insurance is Higher by	
	Individual Only	Family
<i>State of Virginia</i>	106%	358%
<i>Hanover County</i>	51%	27%
<i>Henrico County</i>	130%	23%
<i>Chesterfield County</i>	65%	9%

Richmond may not be offering competitive salaries

Generally, organizations maintain their competitiveness in attracting employees by offering better compensation. For this purpose, it is

common for government organizations to conduct compensation studies, which survey the prevailing wages in the field they are competing. Richmond has not

The City does not have a mechanism to know if it offers competitive salaries

conducted a compensation study since 1999. Therefore, the compensation offered by the City may not be competitive.

The Auditor found that three of the four localities (Chesterfield, Henrico, Virginia Beach and Raleigh) used for benchmarking purposes, conduct compensation studies as follows:

<i>Locality</i>	Frequency of Compensation Study
<i>Chesterfield</i>	Every two years
<i>Henrico</i>	Every two to three years
<i>Virginia Beach</i>	Every three years
<i>Raleigh</i>	Currently working on RFP to start the process

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It should be noted that City Ordinance 2-322 was implemented in January of 2015, requiring the Director of Human Resources to conduct a biennial review of employee compensation. The results of the review are to be reported to the Mayor and City Council by November 1 of every other year with the results of the first review reported on November 1, 2015. During the exit meeting, HR Director indicated the first biennial review of employee compensation have been completed.

ADDITIONAL WAYS TO IMPROVE THE RECRUITMENT PROCESS

Lack of appropriate planning may be affecting timely recruiting

Succession or workforce development planning allows the government to anticipate vacancies and allows them to prepare for filling these vacancies. Some of the potential

The City needs succession planning to prepare for recruiting needs

vacancies, such as expected retirements and general turnover may be anticipated.

The cities of Raleigh and Virginia Beach, and Chesterfield County have workforce development or succession planning program. Henrico County delegates this function to each department. The City of Richmond does not have any formal succession planning or workforce development processes.

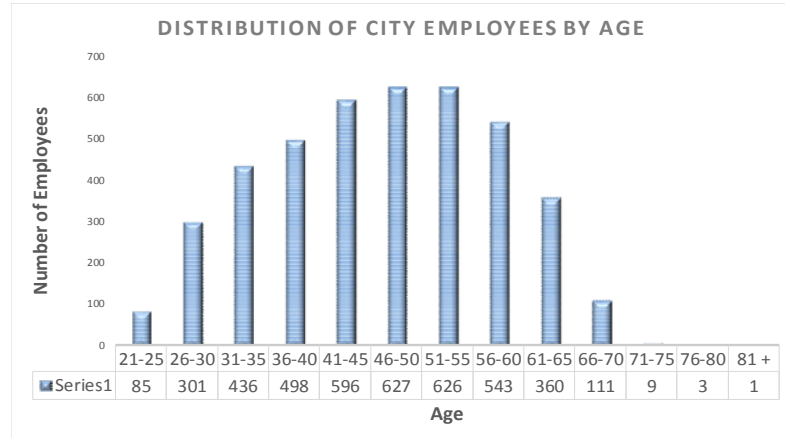
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The following is the distribution of Richmond employees by age:



Source: RAPIDS report

According to the available information, the City has 4,196 employees. Of these, 1,027 are above the minimum retirement age of 55 years. This means that potentially, about 25% of the total number of City employees could retire. Not making succession-planning efforts may leave the City unprepared to deal with an event, such as a significant number of employees retiring at the same time.

Participation in Job Fairs may be beneficial

Job fairs serve a dual purpose for any organization. First, they provide access to a large pool of job applicants. Second, they offer the company a way to promote itself in the community. Job fairs are considered one of the most effective ways for job seekers to land jobs. RPD actively participates in job fairs. Central HR participates in some job fairs; however, there is room for improvement.

HIRING MANAGERS AND DIRECTORS ARE DISSATISFIED WITH THE RECRUITMENT PROCESS

During the audit, the Auditor conducted a live survey of hiring managers to gather additional information about the recruitment and retention

HR could educate hiring managers on the City's recruitment process

process. The Auditor identified a number of issues that contribute to the hiring managers' dissatisfaction of the recruitment process as follows:

- Hiring managers did not have proper knowledge of HR's policy related to when the recruitment process should start. Seventy nine percent of the focus group participants indicated that their department could not start the recruitment process immediately upon receiving an employee's resignation. However, the recruitment can begin immediately upon receiving the current employee's resignation.



Source: Hiring Manager Survey

Educating the hiring managers by better communication would assist in making the hiring process more efficient.

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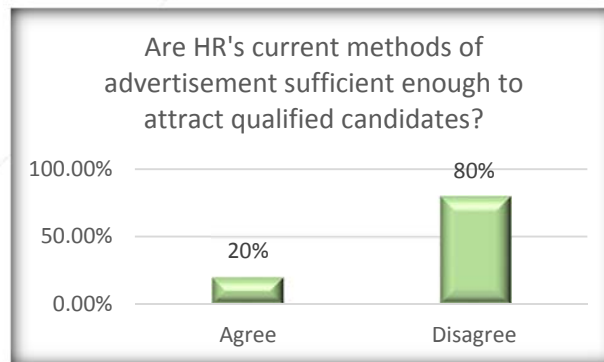
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- Current HR policy is to advertise job announcements on NeoGov, Times Dispatch, Free Press and the Legacy newspapers. In addition, if the department desires to advertise

Current method of posting jobs only in local newspapers is not effective

on professional association's websites, they must arrange and pay for the advertisement.

Four out of five participants of the focus group expressed that HR must explore additional methods of advertising on commercial recruitment websites, such as Monster.com, LinkedIn, Twitter, etc. Chesterfield uses Moster.com for recruiting purposes.



Source: Hiring Manager Survey

Since the above types of websites are popular with prospective jobseekers, the employment opportunities at the City may get better exposure and improve the chances of attracting talent to Richmond. In addition, using social media can be a useful tool in attracting candidates. RPD uses social media to advertise vacancies. In addition, Raleigh indicated that since

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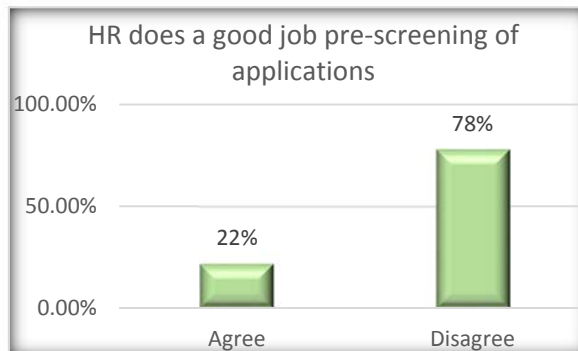
implementation of internet and social media solicitations, application for employment has increased 300%.

- Central HR provides service of prescreening job applications for the department's convenience. According to HR, the recruitment process includes holding a strategic planning

Hiring managers are dissatisfied with HR's application screening

meeting with departments to discuss the criteria for screening applications, relevance of job duties, and preferred qualifications included in the job descriptions. However,

according to HR, frequently, this meeting does not occur due to departmental urgency to advertise the position. In this event, HR determines the application screening criteria and screens applications accordingly using job duties and qualifications listed in the existing job descriptions. This situation may not produce the most desirable results. It does not appear that departments are satisfied with the results of these efforts. Seventy-eight percent of the responders indicated HR does not do a good job pre-screening applications.



Source: Hiring Manager Survey

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In addition, about 60% of the participants indicated that HR does not screen and return applications to hiring departments in a timely fashion. They believed a sufficient number of applications are not presented to departments for the selection of a potential candidate. Approximately, 70% of participants believed that the applicants suggested to the departments for review were not qualified to perform the job.

- The communication between HR and departments needs improvement. Eight-five percent of respondents indicated that HR does not keep them informed during the hiring process.



Source: Hiring Manager Survey

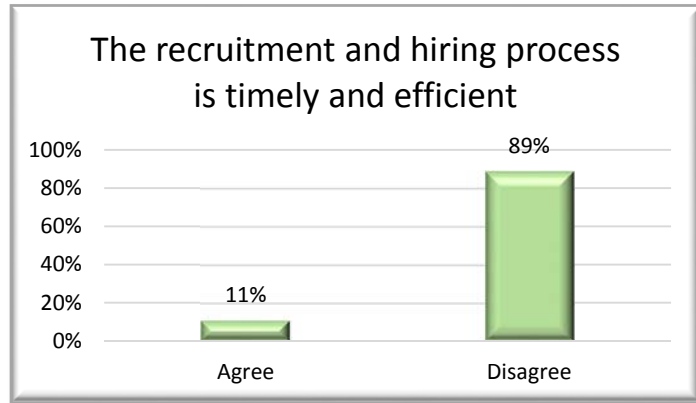
- Most of the managers agreed that the recruitment and hiring process is not timely and efficient as depicted below:

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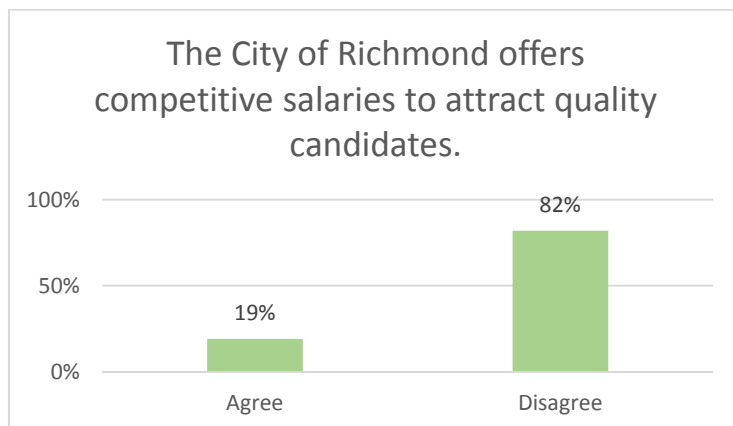
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Source: Hiring Manager Survey

In addition, 64% of the hiring managers indicated that HR does not provide guidance in regards to the do's and don'ts to interview questions.

- A significant number of hiring managers participating on the focus group indicated that Richmond's salaries are not competitive. This appears to be a major deterrence for attracting quality candidates.



Source: Hiring Manager Survey

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There is an opportunity for the City to study the compensation package offered to new employees to improve its competitiveness to attract talents. *(See Appendix A for all survey questions and responses)*

Department Directors are dissatisfied with the recruitment/retention process

In addition to the focus group, the Auditors interviewed four department Directors about their recruitment and retention experiences with the City of Richmond. The Directors indicated they are facing numerous difficulties with recruiting employees. According to them, addressing some the underlying issues with recruitment could help in improving productivity and retention of employees.

In general, the Directors were frustrated with inconsistent advice from HR and the inadequate applicant screening process. According to them, HR's prescreening process is broken and ineffective. There have been

Department Directors feel that they are receiving inconsistent advice from HR

numerous occasions where unqualified individuals instead of qualified applicants got through the initial pre-screening. This situation appears to add inefficiencies to

the recruitment process and may be extending the recruitment time.

- They desired more communication and guidance from HR during the hiring process.
- Two of the four respondents indicated that due to non-competitive salaries, they cannot attract the needed talent.

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Employment in Richmond is perceived as more work and less pay

- There is a resistance to come to Richmond, as it is perceived more work for less pay. Younger people come just to get experience in a big City and then move on to another organization for better pay and benefits. This situation results in the City not receiving benefits of efforts spent on training the employees. In addition, this situation creates reoccurring job vacancies.
- The consensus was health insurance is costly for employees.
- Two of the four respondents indicated that by Richmond not participating in Virginia Retirement System, it deters attracting talents from the counties and the State. However, the City may not be able to address this issue, as it will be extremely costly to convert the City retirement plan to VRS.
- Two of the four respondents believe that the City's residency requirement is a deterrence and hurts the City.

Retention

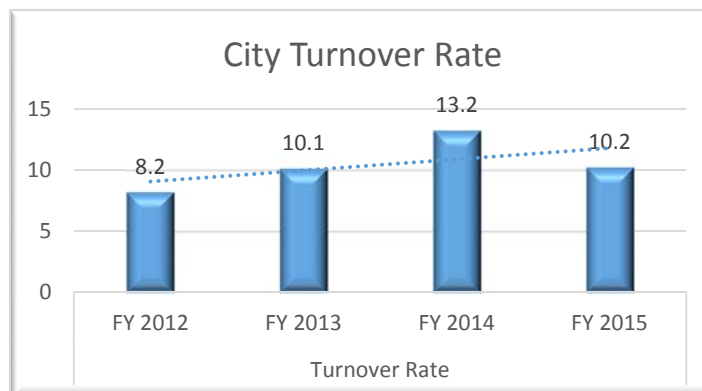
EMPLOYEE RETENTION COULD CONTRIBUTE IN SAVING RESOURCES

Employee retention is important for any organization. According to the Society of Human Resources Management, *“Employee departures cost a company time, money, and other resources. Research suggests that direct replacement costs can reach as high as 50%-60% of an employee’s annual salary, with total costs associated with turnover ranging from 90% to 200% of annual salary.”* Loss of good City

Dealing with employee turnover is expensive

employees results in a loss of institutional knowledge, reduced organizational productivity, and disruption in citizen services. In addition, employee recruitment is time consuming and costly. The City may invest time in training and developing employees to their optimal productivity. Losing such employees would result in a loss of these efforts.

During the past three years, the City has experienced significant employee turnover. During this time, the turnover rate peaked at 13.2% in FY 14 as illustrated below:



Source: Human Resources Turnover Data

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The employee turnover ranged from 373 to 482 employees since FY13. The City must conduct its business even if it does not have sufficient staffing at times. Therefore, during the time the City has vacancies due to employee turnover, the work must be done by the remaining workforce, which may create strain on these employees. It is in the best interest of the City to fill the vacancies in a timely manner.

Almost four out of every five hiring managers that participated in the live survey indicated that it is not easy to retain new employees due to

Flat, 2% pay raise instead of merit-based raise provides disincentive to high performing employees

many of the reasons discussed in recruitment observations earlier in this report. These include non-competitive salaries and benefits. In addition, lack of merit based salary increases over the past

several years may have an adverse impact. It was reported by the Directors that a flat 2% pay raise instead of a merit-based raise provides disincentive to high performing employees.

The following methods are being used by Raleigh and Virginia Beach for employee retention:

City of Raleigh	City of Virginia Beach
Greater annual raises	Recruitment Bonus to current employees
Free healthcare	Pay for Performance
Generous pension and supplemental 457 retirement accounts	

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Citywide Recruitment and Retention

March 2016

According to the AICPA, "Employee productivity depends, in many ways, on the full use of every employee's skills and talents. Knowing the strengths and ambitions of each of your employees, and offering them appropriate opportunities to upgrade or expand their skillsets, will ultimately benefit you, your organization and your business, as well as the individual employee." Giving opportunities to employees for professional growth could have two benefits. The employee may be willing to stay with the City longer and the City may be able to groom the employee for future leadership position.

ADDITIONAL WAYS TO IMPROVE THE RETENTION PROCESS

Stay Interviews

Sometimes employers wait until an employee has announced his or her pending departure to try to determine the cause of their departure.

Stay interviews are a preventive approach to prevent employee turnover

Unlike exit interviews, "stay interviews" are a preventive approach that proactively identifies opportunities for improvement before the loss of a valued employee. Periodically allowing employees to discuss the issues related to the dissatisfaction with their employment, could provide an avenue for managers to address them and ensure retention of valuable employees.

The AICPA opines that conducting stay interviews boost retention and satisfaction. They recommend conducting stay interviews after the employee is with the organization for three years. Currently, the City does not have a practice to conduct stay interviews.

Richmond City Auditor's Report# 2016-06

Human Resources

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Pay for Performance

Pay for Performance is a method of employee motivations that can help improve performance. Pay for Performance links employee compensation to measures of work quality or goals. The City of Richmond has not used a Pay for Performance system since 2009.

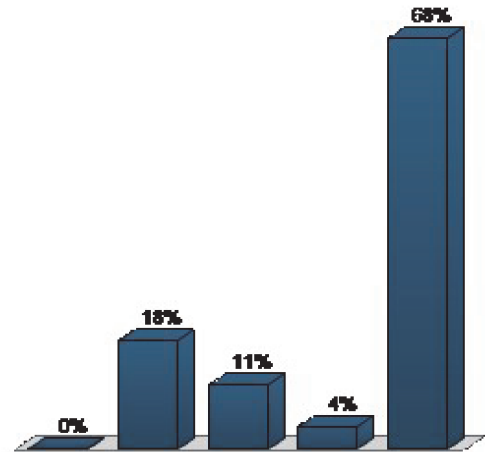
RECOMMENDATIONS

1. The CAO needs to require the HR Director to create and implement a workforce development plan for the City of Richmond.
2. The CAO needs to reinstate the pay-for-performance plan instead of proposing flat pay raises.
3. The CAO needs to consider requiring all departments to conduct "Stay Interviews" for engaging and retaining employees.
4. The DCAO of Human Services and the Police Chief need to streamline the recruitment process to decrease the recruitment and hiring timeframe and enforce compliance.
5. The Director of Central HR needs to require HR Consultants to meet with the hiring managers to:
 - a. Educate hiring managers about the recruitment process
 - b. Review and update job descriptions as needed.
6. The Director of Central HR needs to make the recruitment process more effective through use of more popular websites and newer technology.
7. Upon receiving the most recent "Comparison of Medical Benefits and Cost for Central Virginia Municipalities survey" currently underway, CAO needs to develop and implement a plan for offering benefits competitive with other localities in the area.

Results by Question

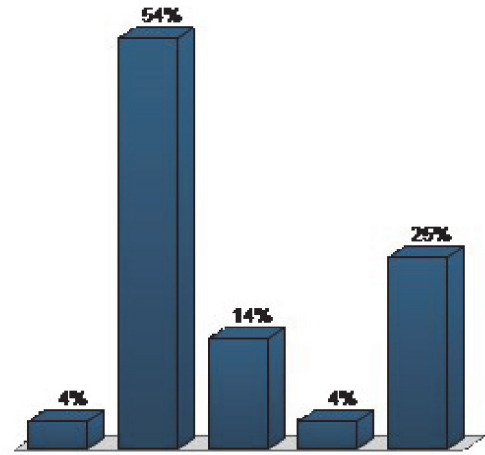
1. THE NFL SEASON IS UNDERWAY. WHICH TEAM DO YOU THINK WILL WIN THE SUPERBOWL? (Multiple Choice)

	Responses	
	Percent	Count
INDIANAPOLIS COLTS	0%	0
NEW ENGLAND PATRIOTS	17.86%	5
GREENBAY PACKERS	10.71%	3
DENVER BRONCOS	3.57%	1
YOU DID NOT INCLUDE THE WINNING TEAM	67.86%	19
Totals	100%	28



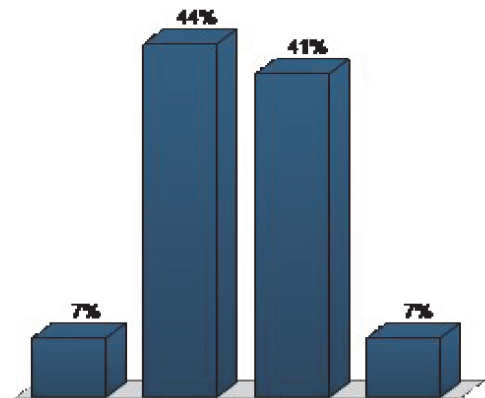
2. The HR recruitment policy clearly outlines the recruitment process. (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	3.57%	1
Agree	53.57%	15
Disagree	14.29%	4
Strongly Disagree	3.57%	1
Not aware of the policy	25%	7
Totals	100%	28



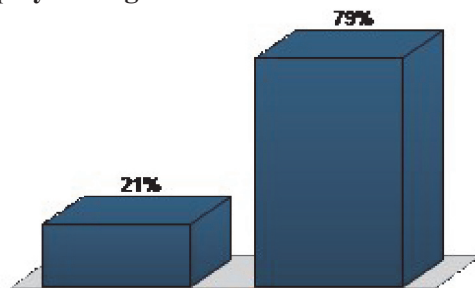
3. It is easy to initiate the recruitment process with HR (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	7.41%	2
Agree	44.44%	12
Disagree	40.74%	11
Strongly Disagree	7.41%	2
Totals	100%	27



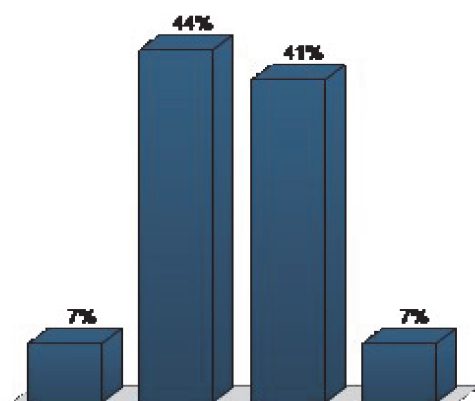
4. I can begin the recruitment process immediately upon receiving employee resignations (Multiple Choice)

Responses		
	Percent	Count
Yes	21.43%	6
No	78.57%	22
Totals	100%	28



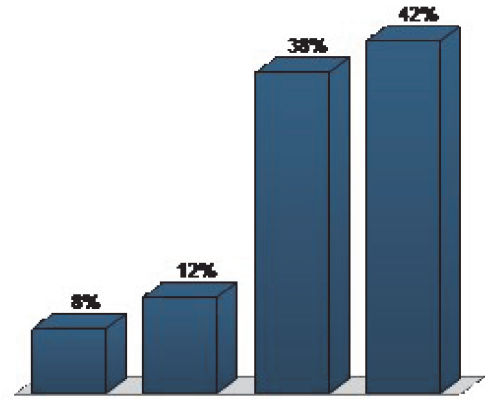
5. The HR Consultant supports and understands your departments hiring needs. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.41%	2
Agree	44.44%	12
Disagree	40.74%	11
Strongly Disagree	7.41%	2
Totals	100%	27



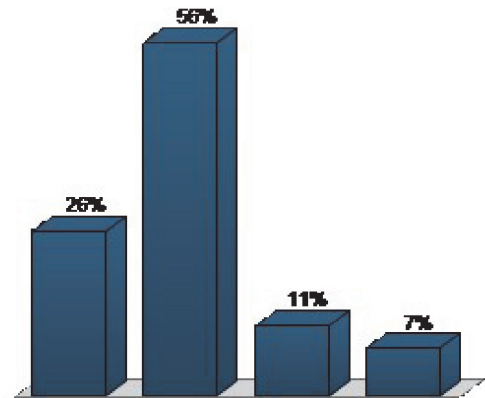
6. HR solely advertises with the Richmond Times Dispatch, The Legacy, and the Free Press. These methods of advertisement are sufficient enough to attract qualified candidates (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.69%	2
Agree	11.54%	3
Disagree	38.46%	10
Strongly Disagree	42.31%	11
Totals	100%	26



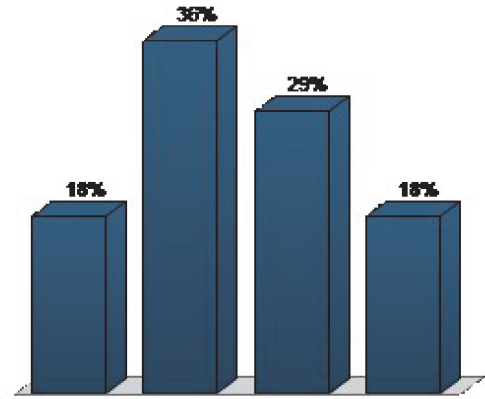
7. I believe that advertising on widely used job search websites would attract a better pool of candidates. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	25.93%	7
Agree	55.56%	15
Disagree	11.11%	3
Strongly Disagree	7.41%	2
Totals	100%	27



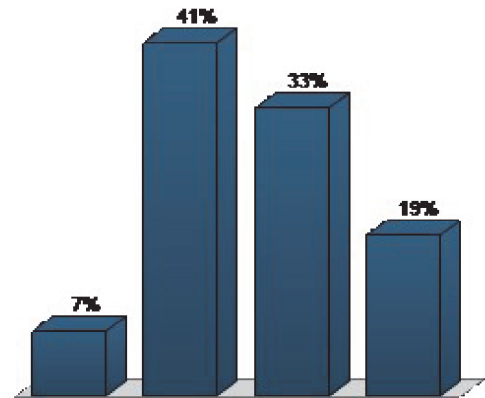
8. Job descriptions are up to date and accurately reflect the position my department is recruiting for. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	17.86%	5
Agree	35.71%	10
Disagree	28.57%	8
Strongly Disagree	17.86%	5
Totals	100%	28



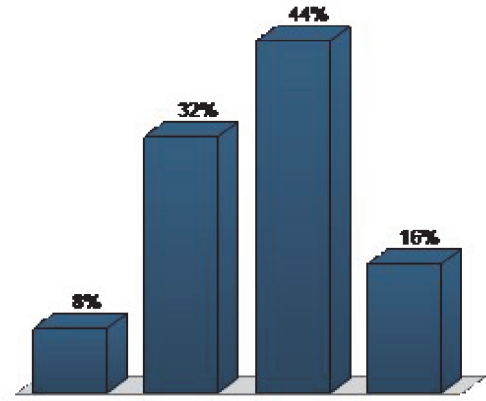
9. Employees, in general, are happy in the workplace and would recommend employment at the City of Richmond to friends and/or family. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.41%	2
Agree	40.74%	11
Disagree	33.33%	9
Strongly Disagree	18.52%	5
Totals	100%	27



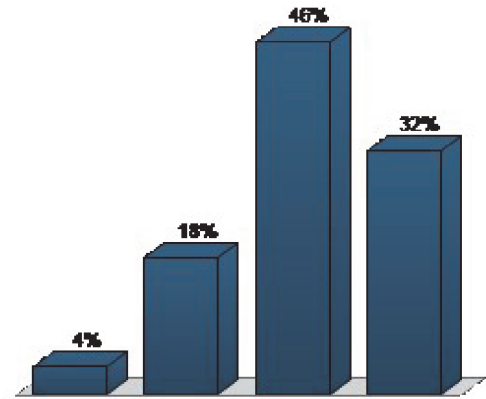
10. HR screens and returns applications and resumes to hiring departments quickly (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	8%	2
Agree	32%	8
Disagree	44%	11
Strongly Disagree	16%	4
Totals	100%	25



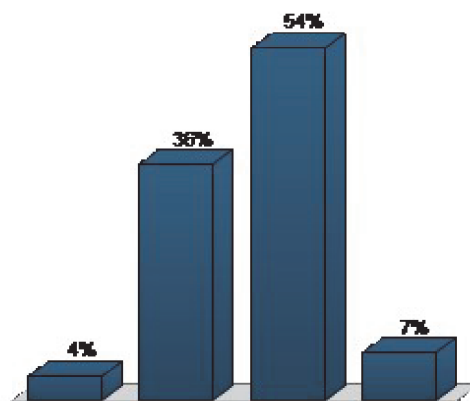
11. HR does a good job pre-screening applications and resumes before submitting to departments/hiring managers for review. (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	3.57%	1
Agree	17.86%	5
Disagree	46.43%	13
Strongly Disagree	32.14%	9
Totals	100%	28



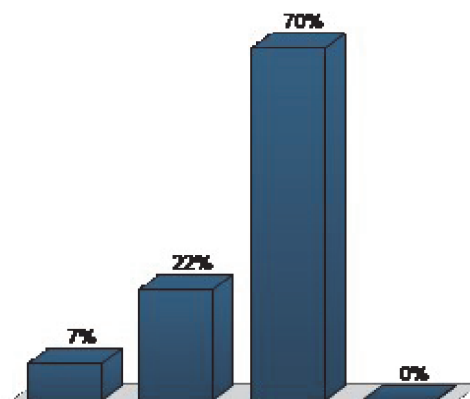
12. The number of applications/resumes presented to my department by HR is sufficient to select potential candidates. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	3.57%	1
Agree	35.71%	10
Disagree	53.57%	15
Strongly Disagree	7.14%	2
Totals	100%	28



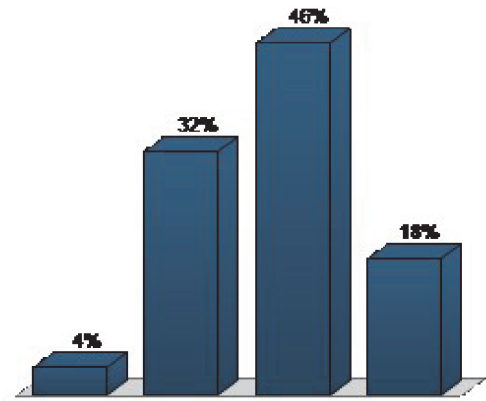
13. The qualifications of the applicants for the job is sufficient to select potential candidates. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.41%	2
Agree	22.22%	6
Disagree	70.37%	19
Strongly Disagree	0%	0
Totals	100%	27



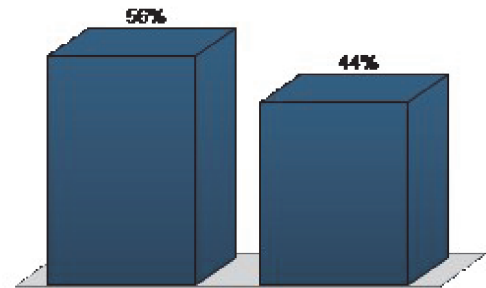
14. HR provides guidance/training in regards to do's and don'ts in interview questions. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	3.57%	1
Agree	32.14%	9
Disagree	46.43%	13
Strongly Disagree	17.86%	5
Totals	100%	28



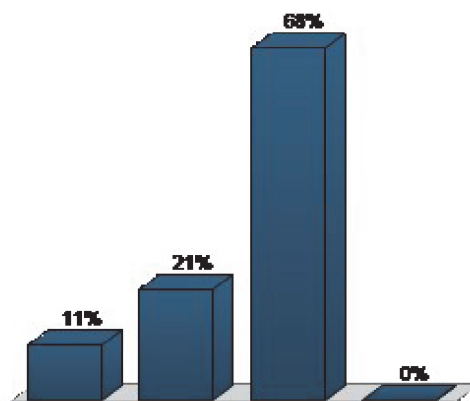
15. An HR representative/liason is present during interviewing of potential candidates? (Multiple Choice)

Responses		
	Percent	Count
Yes	55.56%	15
No	44.44%	12
Totals	100%	27



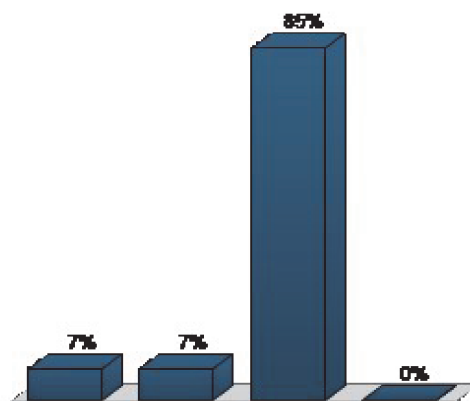
16. I am satisfied with the level of communication with the HR Consultant during the hiring process (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	10.71%	3
Agree	21.43%	6
Disagree	67.86%	19
Strongly Disagree	0%	0
Totals	100%	28



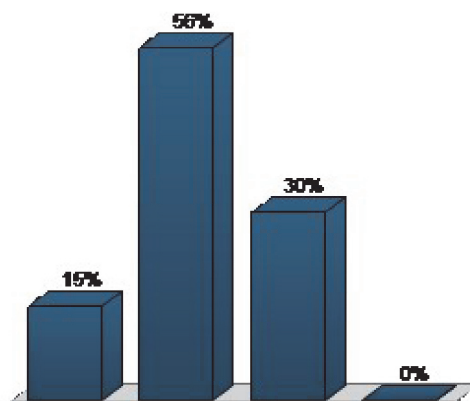
17. The HR Consultant keeps me informed/up to date during the recruiting process. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.41%	2
Agree	7.41%	2
Disagree	85.19%	23
Strongly Disagree	0%	0
Totals	100%	27



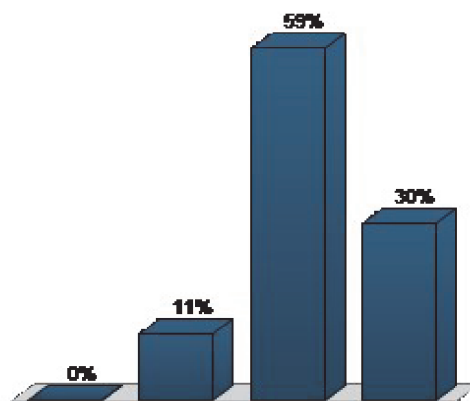
18. The HR Consultant is easy to communicate with and promptly responds to any questions that needs to be answered. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	14.81%	4
Agree	55.56%	15
Disagree	29.63%	8
Strongly Disagree	0%	0
Totals	100%	27



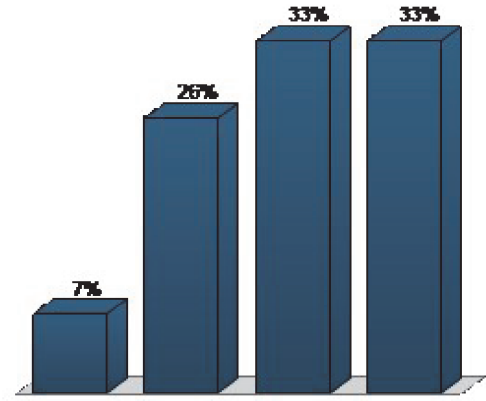
19. The recruitment and hiring process is timely and efficient. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	0%	0
Agree	11.11%	3
Disagree	59.26%	16
Strongly Disagree	29.63%	8
Totals	100%	27



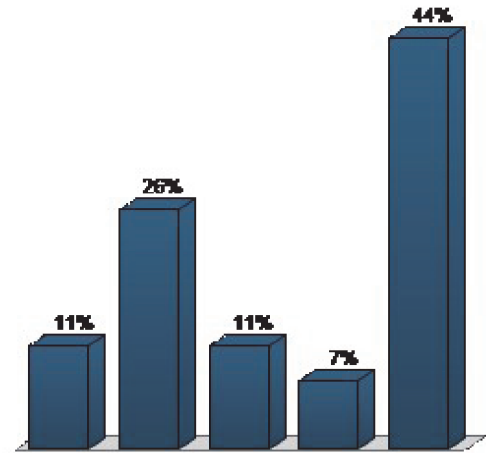
20. The City of Richmond has a positive reputation as an employer. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	7.41%	2
Agree	25.93%	7
Disagree	33.33%	9
Strongly Disagree	33.33%	9
Totals	100%	27



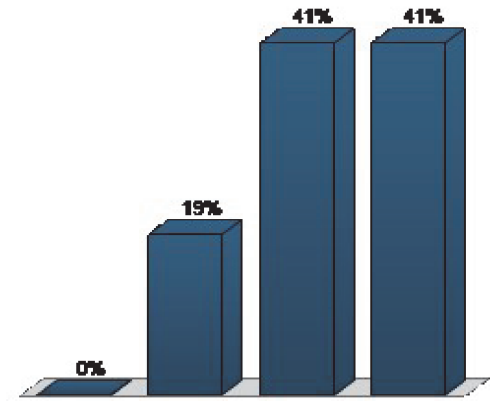
21. The NeoGov system is sufficient and easy to use. (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	11.11%	3
Agree	25.93%	7
Disagree	11.11%	3
Strongly Disagree	7.41%	2
Have not used it	44.44%	12
Totals	100%	27



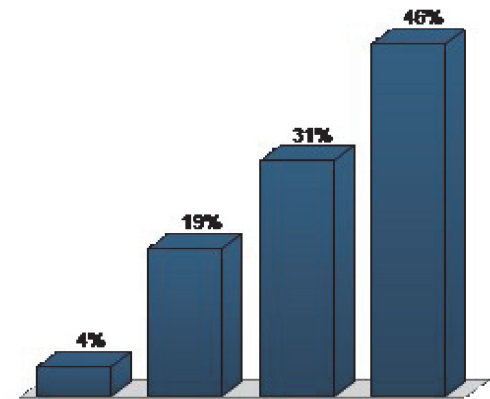
22. The City of Richmond offers competitive salaries to attract quality candidates. (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	0%	0
Agree	18.52%	5
Disagree	40.74%	11
Strongly Disagree	40.74%	11
Totals	100%	27



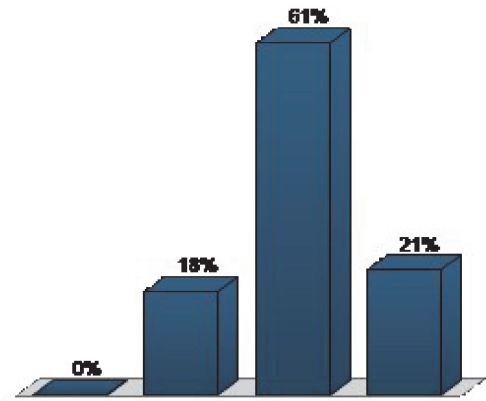
23. The City of Richmond offers competitive/affordable benefits to attract and retain quality candidates. (Multiple Choice)

	Responses	
	Percent	Count
Strongly Agree	3.85%	1
Agree	19.23%	5
Disagree	30.77%	8
Strongly Disagree	46.15%	12
Totals	100%	26



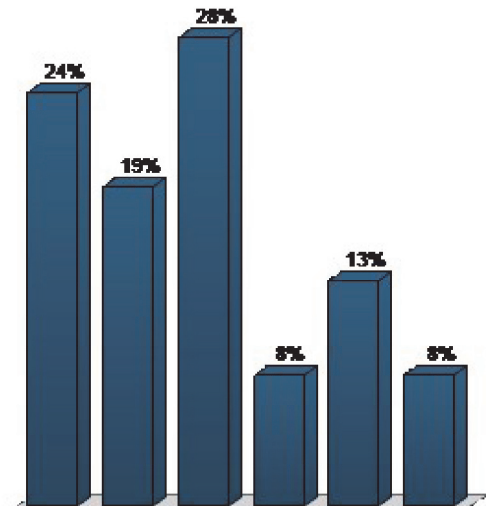
24. It is easy to retain new employees once they are hired (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	0%	0
Agree	17.86%	5
Disagree	60.71%	17
Strongly Disagree	21.43%	6
Totals	100%	28



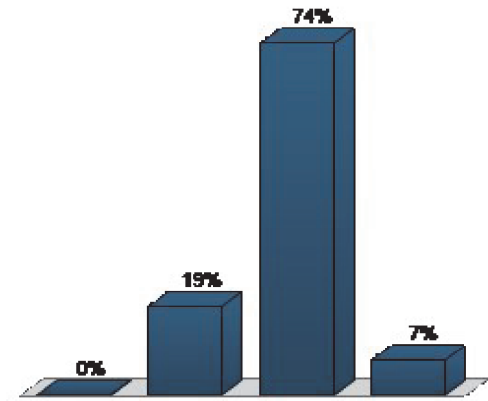
25. It is difficult to retain employees because (Select all that apply) (Multiple Choice - Multiple Response)

Responses		
	Percent	Count
Noncompetitive Pay	24.44%	22
Noncompetitive Benefits	18.89%	17
Lack of Pay Raises	27.78%	25
Work Life Balance	7.78%	7
Work Environment	13.33%	12
Working Schedule	7.78%	7
Totals	100%	90



26. Overall, I am satisfied with the recruiting process (Multiple Choice)

Responses		
	Percent	Count
Strongly Agree	0%	0
Agree	18.52%	5
Disagree	74.07%	20
Strongly Disagree	7.41%	2
Totals	100%	27



MANAGEMENT RESPONSE FORM

Appendix B

2016-06 Human Resources - Citywide Recruitment and Retention

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	The CAO needs to require the HR Director to create and implement a workforce development plan for the City of Richmond.	Central HR N	<p>The creation of a workforce development plan is part of a broader long term strategy to conduct a complete city-wide workforce analysis that will look at the compensation architecture of the city, position classification, competencies, etc. Approaches to this task is occurring on a wide range of fronts from request from Council to complete a workforce assessment to HR conducting FLSA reviews. This is a major effort and will be addressed in a variety of phases. Therefore, we do not concur that this should be an audit item.</p> <p>Auditor Comment: During the audit, HR did not provide any evidence of the above study or the scope of the analysis. The auditors were not presented with information regarding how this study is being funded or the timeframe when this study will be completed. In addition, conducting the above study may not address succession planning or other workforce development issues.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	The CAO needs to reinstate the pay-for-performance plan instead of proposing flat pay raises.	Central HR N	<p>No funding proposed in FY 17. Resources needed to implement this initiative could be used for more effective recruitment strategies. Therefore, we no-concur with this as an audit item.</p> <p>Auditor Comment: This report indicates that the City is at a competitive disadvantage to recruit qualified and competent employees. This is a long-term need. Having a narrow and short-term outlook for recruitment will continue the City's inability to attract desirable talents for effectively serving citizens.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

MANAGEMENT RESPONSE FORM

Appendix B

2016-06 Human Resources - Citywide Recruitment and Retention

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	The CAO needs to consider requiring all departments to conduct "Stay Interviews" for engaging and retaining employees.	Central HR N	<p>We plan to incorporate "Stay Interviews" into the performance evaluation process will ensure that managers discuss career objectives with employees as well as assess how managers can best meet employee's short and long range objectives. Therefore, we do not concur that this should be a separate target item.</p> <p>Auditor Comment: The reason for the disagreement with the recommendation is not clear. It appears that HR is going to change their processes to incorporate this recommendation in the performance evaluation process. This recommendation should be marked as concurred, which will allow proper follow-up.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
			30-Jun-16
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	The DCAO of Human Services and the Police Chief need to streamline the recruitment process to decrease the recruitment and hiring timeframe and enforce compliance.	Central HR Y	<p>Concur with streamlining time-to-fill process. HR developed an 80-day timeline. Starting June 1, 2016, DCAOs will be informed when agencies within their portfolios are not in compliance with the timeline.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
			1-Jan-16
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			<p>Revised time-to-fill timeline established and shared with HR at February HR Liaison</p>

2016-06 Human Resources - Citywide Recruitment and Retention

		CONCUR Y/N	ACTION STEPS
		RPD HR Y	
			<p style="text-align: center;">REQUISITION PROCESS</p> <ol style="list-style-type: none"> 1. Upon receipt of a civilian resignation, the RPDHR Consultant meets with the hiring manager, provides the requisition form and requests its completion within 5 business days. 2. The Chief of Police or designee, (Administrative Division Police Major) will review and approve the requisition within 5 business days. This will reduce the time for department approval by 18 days. 3. The department will forward to CAO for approval within three business days. Failure of any department member to follow the timelines will result in violation of General Order 1-1, Code of Conduct, #14-Unsatisfactory Performance and the appropriate corrective/disciplinary action. <p>BACKGROUND PROCESS-Effective 2/16/16, the department temporarily reassigned 5 staff members to the Personnel & Recruitment Unit to assist with conducting background investigations. This temporary assignment runs through August 2016 as we seek to hire 35 candidates for the 113th Basic Recruit Class (May 2016) and 30 candidates the 114th Basic Recruit Class (August 2016). The temporary investigators will reduce fill to hire timeframes by at least 30 days while the department explores the use of technology to reduce the more cumbersome beaucratic requirements such as of technology to reduce the more cumbersome beaucratic requirements such as (previous/employer reference checks, specific jurisdiction criminal/civil checks)</p>

MANAGEMENT RESPONSE FORM

Appendix B

2016-06 Human Resources - Citywide Recruitment and Retention

	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Police Major-Michael Shamus		22-Feb-16
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	Delays continue between the budget dept and the DCAO signature. (i.e., RPD Information Tech Manager requisition) The Police Department agrees with the Auditor's recommendation to remove the city budget dept and DCAO from the position requisition process. 2. City Administration must also consider the historical delay in filling positions between February-May,during which time the city seeks to balance the fiscal year budget.		The Department implemented a reorganization on 2/20/16. The implementation of the action steps above will begin immediately.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	The Director of Central HR needs to require HR Consultants to meet with the hiring managers to: a. Educate hiring managers about the recruitment process b. Review and update job descriptions as needed.	Central HR Y	HR communicated to HR Liaisons the requirement to conduct strategy meetings prior to positions being posted. In addition, HR will develop and deliver a training session focused on educating managers on the hiring process.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
			1-May-16
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

MANAGEMENT RESPONSE FORM

Appendix B

2016-06 Human Resources - Citywide Recruitment and Retention

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	The Director of Central HR needs to make the recruitment process more effective through use of more popular websites and newer technology.	Central HR N	<p>HR will continue to explore and expand its use of newer technology. However, there are costs associated with acquiring new technologies and currently we have no funding for such new initiatives. Therefore, we non-concur with this recommendation.</p> <p>Auditor Comment: This report indicates that the City is at a competitive disadvantage to recruit qualified and competent employees. This is a long-term need. Having a narrow and short-term outlook for recruitment will continue the City's inability to attract desirable talents for effectively serving citizens. Incurring minimal costs to attract appropriate talent could result in increased productivity and better services. Taking advantage of newer technology could improve the quality of recruitment and efficiency of the process.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	Upon receiving the most recent "Comparison of Medical Benefits and Cost for Central Virginia Municipalities survey" currently underway, CAO needs to develop and implement a plan for offering benefits competitive with other localities in the area.	Central HR N	<p>Offering competitive benefits is a top priority. A RFP for health insurance will be issued in March to select a vendor by August 2016. Recent contract negotiations for dental benefits have resulted in the City leading the region with the most cost effective plan. a new health insurance contract will result in the City offering more competitive rates. We have established a joint pool with RPS to reduce costs while expanding benefits. Therefore, we non-concur with this recommendation.</p> <p>Auditor Comment: The reason for the disagreement with the recommendation is not clear. It appears from the comments above that HR is going to incorporate this recommendation.. This recommendation should be marked as concurred, which will allow proper follow-up.</p>
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION